

ATTENTION CONTRACTORS AND CONSULTANTS

PROCUREMENT REFORM – RESTRICTIONS ON POLITICAL CONTRIBUTIONS

Effective October 15, 2004, business entities will not be awarded state contracts if they have made certain political contributions as outlined below.

Executive Order 134

On September 22, 2004, Governor James E. McGreevey signed Executive Order 134, which, among other things, imposes new restrictions on State departments, agencies and authorities to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access or the appearance thereof. It is essential that the public have confidence that the selection of state contractors is based on merit and not on the political contributions made by such contractors. To that end, Executive Order 134 prohibits State departments, agencies and authorities from entering into a contract that exceeds \$17,500 with an individual or entity that has made a political contribution to a candidate committee and/or election fund of any candidate or holder of the public office of Governor, or to any State or County political party committee. Executive Order 134 further requires the disclosure of all contributions to any political organization organized under section 527 of the Internal Revenue Code that also meets the definition of a “continuing political committee” within the meaning of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7.

Executive Order 134 contains additional restrictions and reporting requirements that will necessitate a thorough review of the provisions.

CONTRACTOR/CONSULTANT IMPACT

- **New Contracts** – will be subject to the reporting requirements set forth in the Bid Documents and RFPs.
- **Solicitations that are presently advertised** – will be subject to the reporting requirements set forth in a Bulletin and Addenda.
- **Bid proposal currently under evaluation and scheduled to be awarded after October 15, 2004** – Contract award will also be subject to the terms of the Executive order. A letter with further details will be sent to those contractors and/or consultants.
- **Contracts awarded before October 15, 2004, including extensions within the original contract terms** – will not be subject to Executive Order 134.

EXECUTIVE ORDER: Can be viewed in its entirety at
<http://www.state.nj.us/infobank/circular/eom134.htm>

DISCLOSURE FORMS: Will be available on the website and in bid solicitations.